

THE HEALTH CARE WORKFORCE AND MISSOURI'S ECONOMY

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Missouri Department of Economic Development

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The consequences of a health care workforce shortage in Missouri are serious -- negatively affecting the quality of patient care and access to medical services. Multiple issues compound the complexity of the problem, creating urgency to clearly understand the health care workforce.

- As the economy strengthens, older health care workers will retire and others will leave the profession. For some, the need to maintain employment will lessen and experienced health care professionals will leave the workforce.
- Older Americans will continue to live longer with more chronic disease. To health care providers, this means more patient visits, more tests and greater numbers of patients requiring more complex, intensive care.
- The new generation of workers – a younger, more diverse group – is poorly reflected within the health care workplace. During this century, it is expected that non-white racial and ethnic groups will constitute a majority of the American population.
- When the coverage provisions of health care reform are fully implemented in 2014, nearly 500,000 additional Missourians will be insured and access the health care system more fully.

These challenges, however, present opportunity. Missouri must meet them, first, by understanding the state's health care workforce demographics and supply and demand. Over the past eight years, the Missouri Hospital Association has invested \$4.5 million in programs to increase career awareness, build educational capacity and provide student scholarships and grants. All of these efforts have been based on national data and data from the state's hospitals. Additional investment is needed, but it must be carefully targeted to insure it is addressing the most pressing needs.

Currently, Missouri's method to project health care workforce demand relies on MERIC's analysis of U.S. Bureau of Labor Statistics data. While these statistics illustrate opportunities that exist in health care, Missouri is without any statewide supply or demand data to assist policymakers, health care providers and educational institutions in planning for the future. Such information would allow state leaders to focus resources on filling gaps in various ways – within certain professions, specific geographic areas or even certain types of health care facilities. Today, Missouri health care educators and providers continue to invest in capacity expansion,

recruitment and retention without the benefit of data to guide and support strategic planning efforts. Only after Missouri leaders have meaningful information about the demographic profile and forecast of its health care workforce can resources be most efficiently and effectively allocated to train a diverse group of workers. In the future, providing education and training to this new workforce will improve Missouri's economic environment and the quality of life for individuals.

DEMOGRAPHIC ISSUES

The Missouri Hospital Association's 2010 hospital workforce survey showed vacancy and turnover rates were mostly lower in 2009 compared to previous years but health care administrators have little to cheer. Anecdotally, hospitals report fewer health care professionals leaving current employment, many in part time positions requesting more hours, and older workers delaying retirement due to economic uncertainty. When the economy improves, it can be expected that many will leave the profession or retire, exacerbating the problem of an already-anticipated workforce shortage.

Not surprisingly, in comparison to other economic sectors, health care has remained remarkably steady, adding 31,500 jobs in Missouri since October 2006 compared to total nonfarm employment which decreased by 151,200.¹

Meanwhile, U.S. demographics are shifting toward an older society. Missouri's population of persons age 65 and older is estimated at 13.8 percent today. But by 2030, nearly 22 percent will be 65 and older – that's more than one in five Missourians.² The new reality is that older Americans are living longer with more chronic disease. American Medical Association board chair Ardis Dee Hoven, M.D., wrote, "By age 65, around two-thirds of all seniors have at least one chronic disease and see seven physicians. Twenty percent of those older than 65 have five or more chronic diseases, see 14 physicians and average 40 doctor visits a year."³

What happens if the number of Missourians entering health care professions declines or remains stagnant? Certainly there is missed economic opportunity, but worse, a potential lack of access for patients especially in rural areas, inner cities and areas with high minority populations who are without timely or convenient access to health care services.⁴ The lack of diversity in the health care workforce also contributes to a lack of access, as only 4 percent of physicians in the U.S. are African American and just 5 percent are Hispanic.⁵ Due to a lack of Missouri data, the state's minority representation in health care is unknown.

During this century, it is expected that non-white racial and ethnic groups will constitute a majority of the American population. With that in mind, increasing diversity among health care professionals is even more important. Evidence suggests that diversity derives a number of benefits.⁶

- More workers with stable, professional employment often with health insurance and retirement benefits
- Fewer unemployed workers, especially minorities
- A more diverse health care workplace, which leads to better care
- Improved access to health care services in urban and rural areas of Missouri

OPPORTUNITY

The Missouri Economic Research and Information Center conducts regular analyses of Bureau of Labor Statistics data, which provides the current status and projections for a number of health care positions. These data are widely used in demonstrating the future demand for health professionals. For example, its “Hot Jobs 2008-2018” report shows 16 health care occupations that require less than two years of education – either a postsecondary award or associate degree. Among those requiring an associate degree, average salaries are above or well above the Missouri average salary of \$40,168⁷ with one exception. MERIC’S ability to forecast these data is very useful, but more details are necessary for planning purposes.

To adequately assess future workforce needs, other information must be collected including education level (especially important for nurses); specialty and certification; employer (location, type of setting, multiple employers); hours worked by setting (direct patient care, administration, management); gender, race and ethnicity; practice arrangements; and anticipated years in profession.

Currently, health professional licensure boards collect only name, address, date of birth and license number, and MHA collects data to calculate turnover and vacancy for hospitals only. This leaves significant data gaps. Without such information, policy decisions and resource allocations will continue to be made without a clear understanding of the workforce and pressures on supply and demand resulting in decreased effectiveness and efficiency of current programs and strategies.

Three organizations – MHA, Missouri Foundation for Health and Healthcare Foundation of Greater Kansas City – are committed to developing an independent, not-for-profit health care workforce data center and have agreed to jointly found the data center with startup funding for three to five years. Additional funding streams to sustain the data center must be identified.

CALL TO ACTION

After years of planning among the three founding organizations, strong consensus has led to the emergence of a model for a health care workforce data center. The parties have begun development of a research plan that will define the critical issues and questions to be addressed

by a data center. To be successful will require the collaboration and cooperation among private and public stakeholders including the division of professional registration, departments of economic development and health and senior services, as well as the foundations and hospital association. Working together, the stakeholders can identify any legislative or regulatory objectives that need to be achieved. Ongoing input from one or more advisory councils will also be essential to ensure the center is meeting the diverse needs of its stakeholders.

Although there are 18 state health care workforce centers across the U.S., there is not one identified “best practice.” They each have various forms of governance and missions, however at their core is the collection and analysis of workforce data.

The collection and analysis of more complete data from Missouri health care providers and the development of a workforce data center is essential for ensuring tomorrow’s health care workforce is diverse and qualified to meet the needs of Missouri’s patients and citizens.

But there is more statewide action needed. Based on MERIC information, it is estimated that by the year 2016 there will be a 12.3 percent increase in the number of health care workers needed in Missouri. Nursing alone will require approximately 15,000 additional persons to meet the growth demand.

Additional resources from multiple sources must be allocated for the following health care workforce priorities.

- retaining health care professionals trained in Missouri
- retaining current older health care professionals already practicing in Missouri
- recruiting and educating traditional students and displaced workers
- recruiting and educating a diverse health care workforce
- developing programs that encourage current health care workers to advance their education

Creating additional education capacity and recruiting tomorrow’s workforce while being good stewards of public and private funds only is possible if there are data to guide policy makers. Such information will enable the most efficient and effective use of resources to develop programs of greatest need in areas of greatest need.

The ability to provide individuals opportunities to increase their earning potential will increase the quality of care provided to Missouri patients and strengthen the Missouri economy.

¹ "Current Employment Statistics (CES): Employment, Hours & Earnings of Workers on Nonfarm Payrolls." Missouri Economic Research and Information Center, July 2010. Web. 1 Oct 2010.

² "Population Projections by Age; Missouri Counties: 2000 through 2030." *State of Missouri Office of Administration*, March 2008. Web. 1 Oct 2010.

³ Hoven, Ardis Dee. "Coping with baby boomers, and staggering statistics." *American Medical News*. 27 Sept. 2010: Print.

⁴ Collins, K., D. Hughes, M. Doty, B. Ives, J. Edwards, and K. Tenney. "Diverse Communities, Common Concerns: Assessing Health Care Quality for Minority Americans." *Commonwealth Fund*. (March 2002): Web. 1 Oct 2010.

⁵ Goldberg, J., W. Hayes, J. Huntley. "Understanding Health Disparities." *Commonwealth Fund*. (November 2004): Web. 1 Oct 2010.

⁶ *Institute of Medicine. In the Nation's Compelling Interest: Ensuring Diversity in the Health Care Workforce.*, 2005. Print.

⁷ *State of Missouri Missouri Economic Research and Information Center. 2008-2018 Hot Jobs Report.* , 2010. Web. 1 Oct 2010.